

**Report of the Value Analysis Task Force
Submitted to North Vancouver District Council
July 6,2001**

Introduction

The members of the Value Analysis Task Force (VAT) hereby submit to Council a final report relative to our terms of reference

The terms of reference are that:

“The Value Analysis Task Force will conduct a comprehensive analysis of the operation of the District of North Vancouver and make recommendations with respect to improving the efficiency and effectiveness in providing a range of services to the public. The Task Force will have the jurisdiction to examine all areas of expenditure within the capital and operating budgets along with any and all programs, services or initiatives that are in any way related to the areas of expenditure, efficiency and economy”.

Hence, the purpose of this document is to identify opportunities for improvement.

The task assigned to the VAT required it to take on the nature of an investigative body to review all aspects of the District of North Vancouver. Therefore, confidentiality was of the utmost importance to all participants interviewed. Council should be advised that the progress of the VAT has been hampered, in part, due to the requirement to hold its meeting in public. It is the VAT's belief that as a result of the necessity to hold the meetings in public, the input from a number of those interviewed was constrained, to say the least. Council may be assured that the VAT did its best to deal with this constraint.

The VAT, as a volunteer group, could not undertake a substantive, in-depth review of every aspect of the operations conducted by the District, as was required by its terms of reference. Nevertheless, the VAT has, through an interview process, established some broad themes for Council's consideration.

The process involved interviews with Mayor Bell and members of Council who wished to appear, members of senior management including Fire, Police, Library and Recreation, and members of the Finance and Budget Advisory Committee. Although invitations were extended to other employees through their managers, no one else decided to appear. The Vat extends its sincere thanks to those who took the time to meet with us, and to the staff who handled our requests for information and documentation.

**Analysis of VAT Report
Corrie Kost
September 16/2001**

Note that the terms of reference targets “services to the public” - specifically the costs, economy, and efficiency of providing such. As you will see not a single \$ amount is mentioned in the report. The only concrete numbers that appear anywhere are to do with how long the public should be allowed to address council. I believe the Task Force lost sight of their mandate

It should have added “in providing a range of services to the public”

I do not accept that confidentiality was of the utmost importance. Nor do I accept that the Local Government Act's requirement to have their meetings open to the public constitutes a significant constraint to those who were interviewed. I understand that perceived constraints were dealt with by holding the meetings in a surreptitious manner so as to negate any possibly monitoring by the public. If this is true then the work of this body is held to be ultra vires and should not be accepted by council.

The reader will note throughout the report that many areas of operations which constitute significant expenditures were ignored while those involving little or no expense to the taxpayer come under extra-ordinary scrutiny.

It is noteworthy that not a single member of staff came forward to “testify”.

OBSERVATIONS

Governance

The VAT sees Council's function as a "process" by which its duties, both traditional and statutory, are carried out efficiently and effectively. This involves:

1. organization and prioritization,
2. leadership.
3. accepting input from managers and Council.

The VAT feels that Council, as a whole, should decide what objectives should be attained. The managers should then be allowed to use their expertise and experience to decide how best to achieve these objectives within the limits of the law, prudence and ethics. Council should understand and respect these separate roles, They should not overlap.

Council should define its objectives and verify these objectives are attained in a legal, ethical and prudent manner, always keeping in mind Council's own responsibility to the people who live in the District.

Governance appears to become ineffective when Council's attention is dominated by well-intentioned "representative" citizens' groups. Their views may or may not represent all of the taxpayers.

Council should not be led by managers, staff or by its own committees, nor should it be simply reacting to or ratifying ideas presented by others, without all the facts clearly defined. Before a Council meeting, Councilors should have read all of the material about the issue. They should be prepared to debate the pros and cons of the issue and then proceed to a vote. It has been observed that Council has often been aligned with the same member or members on each side of every issue. This could lead one to the conclusion that debate will not change this alignment, regardless of the issue. One or two Councilors will have to be persuaded to change their position in order for the proposition to pass. This does not always result in a process beneficial to the taxpayer.

The VAT expects Council to display greater leadership and to set standards by which it manages. Council must develop and articulate a discernable long-term plan for the District, with clear directions for implementation.

Astoundingly, the most important element:

- consulting with the public

is not even worth mentioning. We do live in a democracy. The Local Government Act requires that Council (and in many situations, only council, can consult with the public)

On the contrary, the best way to achieve the objectives sought by council can only be directed by council through a proper (and often required) public participation process. The roles largely do and should overlap in many aspects. I agree, that in the execution of council's directives by staff, the roles should not overlap.

A well thought out concept. Should have been tied to the oath of office.

In no way can representative groups ever represent all of the taxpayers. Indeed, even council has the mandate of only some 30% of district voters, and most councilors far less than that! I disagree that council's effectiveness is eroded by input from representative citizens groups. On the contrary, they often act as early warning signs that something is amiss. On the other hand, closer scrutiny of the representative citizens groups, may be warranted, and I daresay would be welcomed by any legitimate group.

The input by professional citizens has largely aided in getting all the facts defined. To have members of council read all the material on ANY issue is extremely onerous. On the job training is a poor option. Thus competency of our Councilors is paramount. Not only should they be prepared to debate – but it is essential that they do so. The public's demand for transparency in governance requires this. Open mindedness, backed by a good dose of humility, are essential elements of a good councilor. The statement "proposition to pass" denotes an unintended bias. I believe the committee intended to say "proposition to pass or fail". A simple periodic seating re-arrangement may be a positive step towards the resolution of this problem. The underlying element which brought about this situation should also have been addressed.

Only the public can determine long-term plans for the District. Council cannot lead if it does not have a vision. This vision can only be articulated by involving the public in as democratic a process as possible.

<p>The Mayor and Council are in place for a common purpose. Therefore the implementation of governance will assist the alignment of mission, goals and motives to make for a more effective and efficient body.</p> <p>There are substantial core activities before Council that require solving difficult problems and making good decisions. Setting in place an appropriate method to resolve the issues and achieve the desired results would be of benefit to the operation of both Council and management and in addition to the populace of the District. Good order and governance need to be implemented.</p> <p>The issue of governance is far reaching and for those who have implemented the process, there has been significant reward.</p> <p>Governance in the corporate world is now well-established and paying dividends to those who apply it rigorously. It became compulsory for publicly-traded companies to establish governance policies, because of the breakdown of good governance practices on the parts of both Directors and management.</p> <p>The development of a Strategic Plan to meet the issues of public importance is key to this recommendation and is an excellent document to provide to all citizens to ensure they know the main public issues and the plans for their implementation. A strategic Plan becomes an excellent working tool for Council to use to the benefit of the District.</p> <p>Trust and Morale</p> <p>Perhaps one of the most telling comments we heard was there was no Christmas party last year. While there may be any number of reasons for that, the general sense seems to be that this is a direct result of, and reflective of, poor morale.</p> <p>We heard from any number of people that Council appears not to trust the judgment and, in some extreme cases, the integrity, of staff. Looking objectively at the large number of outside consultants retained by the District, we believe their use should be reviewed, and policies around their use revised in light of the effect the current system has on existing personnel.</p> <p>Leadership</p> <p>There is a great deal of frustration around the lack of solid strategic direction, not only in the budget formulation process, but also in other, long-term, big-picture areas.</p> <p>It is our belief that Council must truly focus on the setting of substantive strategies, then allow management and staff to achieve them against measurable benchmarks. In the absence of this kind of solid leadership, staff is forced to invent policy, and then re-invent it until it takes a form Council deems acceptable.</p>	<p>The “method” of governance also requires some alignment in order to make for an effective body.</p> <p>The key is the “appropriate method”.</p> <p>Good order in governance is a necessary but not sufficient condition to achieve the desired results.</p> <p>Reward for whom?</p> <p>Dividends must flow to the taxpayers – thus many corporate governance rules do not apply.</p> <p>The OCP provides much of the underpinning of a Strategic Plan – it must be in place first. The Economic Development Strategy (Harris-Hudema report of Oct/98) and the Economic Development Strategy Study (Urban Systems – March 1997), both requiring a significant reading challenge, should first be understood by Council in order to formulate a Strategic Plan.</p> <p>The reasons should have been flushed out.</p> <p>Policy revisions in this matter may only hide the underlying structural problems. The reasons why council made such extensive use of outside consultants should have been determined.</p> <p>Of course “direction” implies “change”. Perhaps</p> <ol style="list-style-type: none"> change is not what most residents want or the proposed changes were not understood by the public – leading most to fear and thus reject it. <p>Contrarily – sometimes council has set clear direction to staff only to have them ignored.</p>
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Public input and transparency

While public input and a transparent civic government process are laudable goals, it is not just this Task Force that found itself a victim of the drive to public accountability in all instances. Part of the problem can be laid at the door of the revised Municipal Act (now called the local Government Act).

It would appear the move to create transparency has resulted in a system whereby everyone dissembles, and no one says what they really believe to be true. Honest and open discussion, rather than being encouraged by the push to transparency, has actually been driven underground.

Similarly, the laudable goal of encouraging and allowing public input has had unintended consequences. It would appear that general apathy on the part of the greater public allows for the hijacking of the public input process by interest groups who have taken on the role of the “professional publics”, a well-known phenomenon of the public consultation process.

One clear manifestation of this is the ordering of Council meetings where the business at hand is subject to an open-ended time slot for public input and comment. The result of this is that Council frequently fails to get through the agenda items, leaving the impression with citizens that the business of the district is not being conducted well. An opportunity for Council to demonstrate “value-added” has been missed.

Performance management

Essentially, the “planning-control” process involves setting specific performance goals, measuring goal attainment, and taking remedial action as needed. When this process works effectively, it is more likely that job performance by employees and management will be optimized.

It is clear that a number of departments have implemented this sequence effectively, notably Fire Services and Planning. Too, most departments seem to have organizational goals. What seems less clear at times is how these goals relate to individual managers and staff.

Succession planning/ career path issues

Interview comments and our examination of the DNV management organization chart reveal that a large number of

Public input and governance transparency are not just “laudable” goals – they are compelled to be so by the Local Government Act. The revisions to the Municipal Act were largely determined by UBCM requests – ie. at the request of the municipalities.

The closed door mentality of the past must be abandoned. Justice cannot be done if it does not appear to be done. Those who cannot, or will not, speak openly with honesty and integrity should be replaced by those who can.

Again, public input is not just a “laudable goal” – it is a Provincially mandated goal. The accusation that “professional publics” or “professional citizens” hijack the public input process is most disturbing and does a great disservice to the many volunteers that work tirelessly and without self-interest to make this a better community. On the contrary – it is these citizens that prevent the hijacking by very small self interest groups.

The public input is well regulated and limited to a total of 30 minutes (with the occasional 2 minute presentation, sometimes both for and against the proposed motion). The facts will show that it is council debate (often due to some being ill-prepared) that results in the impression that the business of the district is not being conducted well. Finally, speedy decisions do not necessarily lead to better decisions. It is well known that democracy takes more time. Hasty decisions are a good indicator of a non-democratic process. There are those who hold the mistaken belief that public participation in the administration of justice is the same as public participation in local governance, and would thus deny the public’s right to directly and indirectly have a say in those local governance decisions which most directly effect us.

Management lacks the incentive to exceed or modify goals.

A strong apprenticeship program needs to be put in place. Exchanging employees with other municipalities for up to

<p>retirements will be occurring in the near future.</p> <p>We understand that vacancies are generally filled through an open competition process. Nonetheless, we believe that it is useful to identify possible candidates for future promotion. Management should ensure that junior employees are aware of credentials or continuing education programs that will help them qualify for advancement or promotion.</p> <p>As the "baby boom," generation of managers retires, we believe that DNV will need to demonstrate sensitivity to gender issues, in particular the low number of female management staff. Currently, the number of women in top pay brackets is very low. Efforts to make the top management staff more gender-representative will enhance the ability of DNV to recruit and retain excellent job candidates, particularly in the long run.</p> <p>"Succession planning" should also be understood to include the consideration of opportunities to implement management restructuring.</p> <p>One needs only to glance at the District staff organization chart to begin to appreciate these opportunities. The age demographics alone should be of concern. Certain management changes have or will take place and certain vacancies have not been filled, nevertheless, this does not discount the recommendation to look further.</p> <p>Performance appraisal</p> <p>We are advised that several departments are careful to conduct an annual performance appraisal for each employee. However, we also understand that this is not universally the case.</p> <p>Employee survey</p> <p>It is useful to "benchmark" employee morale over time, in order to identify desirable or undesirable trends. We are aware of some efforts in the past to solicit employee feedback and input, but believe that a more comprehensive, district-wide approach is needed.</p> <p>Council conduct</p> <p>Like many of us, the Mayor and many Councillors are long-time District residents. Sometimes, it's easy to forget how much the District has grown over the years.</p> <p>As we note elsewhere, setting broad policy goals is a Council responsibility, while completing day-to-day management tasks lies in the hands of staff. It is the responsibility of the manager to oversee the staff. What was considered "Management-by-walking-around" efforts in the past by Mayors or individual Councillors may now need to be done more circumspectly, given the increased size and complexity of the organization.</p>	<p>1 or two years may bring in fresh ideas.</p> <p>Concur.</p> <p>Concur.</p> <p>Need to also examine if certain vacancies need replacing. It may be better to strengthen other departments.</p> <p>How the performance appraisals are conducted is the key. Employees should be provided with a mechanism to improve their appraisals. Uniformity of performance criteria from department to department is a must.</p> <p>Both anonymous and identifiable feedback should be solicited.</p> <p>So?</p> <p>Councillors testing the system as "customers" might bring about dramatic improvements.</p>
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It appears in-fighting among members of Council, and between management and Council is having a serious effect on the level of trust and morale amongst staff.

Uniform data collection

Initially, the Task Force had hoped to conduct at least a rudimentary "peer group" efficiency comparison between municipalities. This, however, proved impossible because of a lack of comparable data.

Technology

Technology offers so many opportunities and the District should be making every effort to buy into it where benefits can be established. Any project undertaken must be well managed with plans to gain the objectives and benefits as quickly as possible. Perhaps the payroll project may not serve as the best example for future projects. Council should insist on more thorough evaluations of the degree to which information system improvements add value to the organization.

recommendations

1. Establish and implement a Governance Policy

We recommend the development and implementation of a Governance policy. This will greatly assist the Mayor, Council and management to fulfill their respective stewardship roles on behalf of the citizens of the District.

We recommend that the Mayor and Council establish clear standards and display leadership as part of good governance. These are key strengths and must be pursued by all members. An example is pride in the performance of the Mayor and Council. Another is the relationship between the elected body and management. Clear-cut policies, as part of governance, are required to establish the basis for the relationship between the elected body and management and clearly define each of their of their respective roles.

A mandate for each group should be set in place so each body knows the game plan.

We recommend that Council and management work together to develop a Strategic Plan for the District. Strategic planning is defined as a process where Council and management decide how they will achieve particular goals they deem necessary to implement the District's objectives over a specified time.

At the same time, a system needs to be adopted by Council to garner those issues of significant public importance that will form the basis for any future plan.

In-fighting among members of council and politics often go hand-in-hand. Between council and management the causes may be due to conflicting expectations/roles.

Comparison of costs to deliver certain services (fire, water, police, etc) would still have been worthwhile.

Concur.

Does everyone know the "mission statement"
-for the District?
-for the department?

We recommend the establishment of guidelines, priorities, and direction to management based upon a Strategic Plan.

This recommendation basically speaks for itself but is key to good governance. Adoption of this recommendation would have the effect of clearly defining the responsibility of the Mayor and Council, separate from that of management and set in place a mandate for management and staff to act upon to meet these issues of public importance.

Another advantage is the clear separation of "macro" from "micro" management.

We recommend that Council develop an improved method of obtaining public comment at council meetings.

Time limits must be set and enforced;

An undertaking of good conduct might be considered as a requirement for those addressing council;

The public comment portion of Council meetings must be restricted to the scheduled 30 minutes, and should be apportioned to be representative of differing views on agenda items; (in Richmond, for example, those wishing to address non-agenda topics must provide written notice four days in advance and are added to the agenda at the end of the regular council meeting and limited to a 5 minute speech.)

Review the practice of holding Council's in-camera meeting prior to the actual Council meeting time, with a thought to separating the two.

Review the existing system of clocks, audible reminders, etc. to find a system that works better for all participants. Both Vancouver City Council and the provincial legislature use a system of amber and red lights to indicate that a speaker's allotted time is running out. When the red light comes on, the microphone is shut off. Councillors should show more respect for each other and for themselves, and demand respect from the public.

2. Implementation of a Performance Management System

The Mayor and Council need to implement a top down driven Performance Management system that will be the key measurement program for all activities of the District. Senior management should be called upon to present to Council such a program, and all its constituent parts, for consideration and adoption.

Progress towards goal attainment will become easier once a few "housekeeping" tasks in the human resource management field have been completed. The following need immediate attention, in the event they are not already in place:

So what is wrong with current system and what are the concrete suggestions for improving it?

Time limits ARE in place and are enforced.

Any attempt to suppress our fundamental right of free speech (short of obvious slander or libel or verbally attacking a member not present) is unlikely to be supported by the community.

The public comment portion of Council has rarely exceeded 30 minutes – and is often far less. All non-delegation input is limited to 2 minutes. Restricting input to the end of regular council meeting would be considered as hostile to the public interest and would be counter-productive as this would tend to be dominated by “professional citizens”.

A microphone system that works reliably is much more urgent. Letting the public view ALL timers would ensure both the public and councilors are being treated fairly. Some councillors have to work harder to get the respect they demand. Some councilors should show more respect for the public.

We recommend that management continue its efforts to develop a useful set of performance measures. Care should be taken to subsequently "tie" these measures to individual managers and staff, and to incorporate these within the performance appraisal process.

We recommend that management work to ensure that all managers and foremen complete at least a basic continuing education course on supervisory skills (with refreshers as necessary).

We recommend that management continue in its efforts to implement and refine the Attendance Management program, including written commendations and other tokens of appreciation for those who demonstrate perfect (or near perfect) attendance records.

We recommend that annually, management issue attractive, friendly reminders on everyday personnel policies and procedures. (Use of District vehicles and property; injury-reporting requirements; personal safety and security; telephone courtesy.) This should be done in a "cycle" over the course of the year. The goal of reducing paper burden is commendable, but management should evaluate the extent to which emailed communications receive the needed degree of attention by recipients.

We recommend that given the growth, complexity and size of the district's work force, the Mayor and Council, update "office courtesy" practices for everyone to follow. Any communication between the Mayor or Council and staff, must flow through management. Staff should be answerable to the Mayor and Council, through their respective managers. As an example, it could be decided that "touching base" with the appropriate supervisor or manager is a good way to begin any visit to the Works Yard or other work locations.

We recommend that a district-wide employee survey be undertaken every two years. It should be administered by an outside firm in order to preserve confidentiality. A number of suppliers (such as Human Synergistics Canada) market questionnaires that could be used at relatively low cost. These questionnaires could be adapted if necessary to track additional variables of interest.

In tracking results for sub-groups of employees, care should be taken to make sure that these groups are large enough to preserve anonymity of responses. Ideally, the format and presentation of the survey should be held constant over time, so that trends can be observed.

We recommend that the Municipal Manager and the Directors' Team work to ensure that all employees receive a consistently-applied appraisal annually, in a format that is useful for all concerned.

"should" is suggested over "must" – there may be a need for exceptions.

Surprise inspections by our elected representatives may at times be justified. Sure, have trust in management, but it pays at times to independently verify.

The appraisal should set out the job performance expectations for each employee, along with the extent to which he/she is meeting them effectively. Ideally, the appraisal should be completed by the employee's immediate supervisor.

We are aware that there are situations where the immediate supervisor is a member of the same Union as the employees he/she supervises. While foremen are often likely to be most familiar with their crew's job performance, there may be conflict-of-interest concerns to deal with. We recommend that District management solicit input from the foremen and their union representatives to ensure that the performance appraisal process works efficiently and effectively.

We recommend that Council review the existing Harassment Policy, not only in its content, but more importantly in the reality of its implementation.

We recommend that Council communicate the need for a valid local government statistical database to the Union of B.C. Municipalities.

3. Conduct an in-depth analysis of every aspect of the District and review the organization structure and management levels.

Even though this committee could not undertake the in-depth review required, there exists an outstanding opportunity for such a review to be undertaken. Council must first determine what it wishes to achieve through such a process.

There are several approaches to setting in place a program to undertake this review:

- a) use an outside consulting agency
- b) use a staff group, or
- c) a combination of both

We recommend the use of a combination of both as follows:

Establish a team of interested members from the current staff complement, ideally those who are on the "management track". Senior management would recommend candidates.

This team would be managed by an outside independent body and would report directly to Council. The independent body would vet the recommended candidates and choose the appropriate members for the team.

The internal staff members would be full-time, seconded from their present roles.

The committee would require a clearly worded mandate, well-established goals, and authority from Council to

I prefer "in conjunction with the employee's immediate supervisor".

undertake the project, and it must not be subject to public exposure during its fact-finding process.

An example of a goal for the committee could be to reduce overall staffing costs by x%, and maintain the current level of services.

The independent body would provide overall management, the program outline, timelines, reporting and communications necessary to achieve the mandate.

Members of the VAT could offer some assistance in establishing this team.

We recommend that Council obtain and evaluate the existing policy as regards District vehicles, or vehicles leased on behalf of District employees. From a strictly perception perspective, the presence of luxury vehicles, leased or owned by the District, sends discouraging messages to taxpayers about the value they are receiving for their tax dollars.

4. Conduct a comprehensive review of the current output and use of the data provided from the new payroll system.

The new computer system appears to be well in place and a post-appraisal of the output, use of data and benefits gained; both cost and efficiency etc. should be undertaken. In addition, any enhancements and improvements and associated benefits should be gathered and a decision made as to whether or not they should be also implemented. The results of this review should be reported to Council along with any recommendations.

We recommend that extraordinarily large system projects, such as the J.D. Edwards system purchase, come to Council for preliminary purchase approval first, before potential suppliers are sought and identified. Council should also be involved in the final supplier selection, in these large line-item purchases.

conclusion

These recommendations are given for your consideration; with the only intent to improve the overall operation of the District activities.

As the Mayor and members of Council, you oversee a substantial business enterprise on behalf of the citizens of the District and the implementation of these recommendations may assist you in fulfilling that demanding role.

Dolores R. Holmes, Chair
Len Henriksson, Member
G. Brian Hobson, Member
Joanna Piros, Member

The VAT committee seems to be unaware of corporate donations of such vehicles. I believe they are clearly labeled as such and this should address public (mis)conceptions.

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